

Membership Balance Plan

Internal Revenue Service

Electronic Tax Administration Advisory Committee (ETAAC)

- (1) Name. Electronic Tax Administration Advisory Committee (ETAAC).
- (2) Authority. The establishment and operation of the ETAAC is required by the Internal Revenue Service (IRS) Restructuring and Reform Act of 1998, Title II, Section 2001 (b) (2).
- (3) Mission/Function. The ETAAC's purpose is to provide continued input into the development and implementation of the IRS's strategy for electronic tax administration. The ETAAC provides an organized forum for discussion of electronic tax administration issues in support of the overriding goal that paperless filing should be the preferred and most convenient method of filing tax and information returns. The ETAAC members convey the public's perceptions of the IRS electronic tax administration activities, offer constructive observations about current or proposed policies, programs, and procedures, and suggest improvements. The ETAAC's duties are to research, analyze, consider, and make recommendations on a wide range of electronic tax administration issues and to provide input into the development and implementation of the strategic plan for electronic tax administration. The Chairperson of the ETAAC, in conjunction with the Chairperson of the IRS Oversight Board and the Secretary of the Treasury, reports annually to the Congress.
- (4) Points of View. The number and membership balance of the ETAAC is not static and will vary depending on the IRS's needs and the work of the ETAAC. Each ETAAC member is appointed to represent a point of view from within the electronic filing community, including organizations varying in size and type. Each member may also represent a customer segment based upon topics of interest to those in the electronic filing industry.

ETAAC members are selected through a structured application process that targets individuals with experience in electronic tax administration, strategic planning and change management, systems management and improvement, implementing customer service initiatives, sales or marketing to individual and small business consumers, and public policy development. ETAAC members are industry representatives from the electronic filing community, including: tax practitioner, tax preparers, computerized tax processor communities, and small business owners. Subject matter or technical expertise in tax software, as it relates to accuracy, security, privacy, and the IRS e-file programs and services, is necessary to accomplish the tasks of the ETAAC. Expertise and familiarity with electronic filing is also critical for ETAAC membership. Individuals with

experience as a senior official with a state agency, academia, or private industry are likely to have the appropriate level of technical expertise.

When making an employment status determination of the ETAAC members, the IRS looks at the express language of the ETAAC's charter; the fact that ETAAC members (a) do not receive compensation other than travel expenses for his or her services on the committee; (b) act as a spokesperson for a recognizable nongovernmental group or stakeholder; and, (c) are not supervised by a Federal government employee. After analyzing these factors, the IRS's Chief, Ethics and General Government Law Branch (GLS), determined that each of the current members of the ETAAC shall be appointed as representatives. Any new members will be reviewed using the same factors, which are specified by a Department of the Treasury Directive.

- (5) Other Balance Factors. The other balance factors IRS identified as important for the ETAAC membership include geographic diversity and representation of major stakeholders.
- (6) Candidate Identification Process.
 - (a) Cross-section. IRS solicits applications and nominations for the ETAAC by placing a notice in the *Federal Register*, issuing a news release, and using industry partners and IRS National Account Managers to disseminate both communications. After receiving nominations and applications, the IRS develops a list of qualified candidates. The candidates are then selected based on their skills, expertise, and qualifications and geographic and stakeholder diversity, after taking in consideration the characteristics of the members that will be leaving a vacancy in the ETAAC.
 - (b) Agency staff involved. A cross-section of IRS staff participates in the selection process for membership. The ranking process begins with two senior analysts who review each application package and assign a score to the skills and qualifications. The numerical scores determine the best qualified list. Interviews are conducted by the Director, e-File Services and Chief, Industry Stakeholder Engagement and Strategy Branch. In addition, the IRS Commissioner, Deputy Commissioner, Wage & Investment Commissioner, Wage & Investment Deputy Commissioner, and Chief of Staff review the membership package before its submission to Treasury.
 - (c) Vacancies. Vacancies will be filled annually, using a process to match as closely as possible the balance and diversity characteristics of the departing member or the issues of interest to the committee.
 - (d) Term limits. Each member is appointed for a term of three years.
- (7) Subcommittee Balance. ETAAC may form subcommittees (or subgroups) for any purpose consistent with the charter. Such subcommittees must report directly to the ETAAC parent committee and do not make recommendations directly to Federal

Officials. Therefore, ETAAC subcommittees are not covered by the Act and are not subject to the Act's requirement that committees be "fairly balanced." 41 C.F.R. § 102-3.35.

- (8) Other. The IRS will take whatever other steps are necessary to ensure a balanced membership on the ETAAC.
- (9) Date Prepared. This Membership Balance Plan was updated November 2013.